

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENERGY CORP.)	
FOR ACCEPTANCE AND EXPEDITED)	
IMPLEMENTATION OF FOUR SPECIAL)	CASE NO. 2007-00544
RETAIL CONTRACTS FOR THE SALE)	
OF TIER 3 ENERGY)	

O R D E R

Kenergy Corp. (“Kenergy”) is an electric distribution cooperative organized under KRS Chapter 279. Kenergy purchases power at wholesale from Big Rivers Electric Corporation (“Big Rivers”) under the terms of a long-term contract, except for certain quantities of power purchased at market rates for resale to Kenergy’s two largest customers, Alcan Primary Products Corporation (“Alcan”) and Century Aluminum of Kentucky General Partnership (“Century”). Kenergy’s sale of power purchased at market rates to Alcan and Century is known as TIER 3 Energy.

Kenergy has filed four special retail contracts for the sale of TIER 3 Energy: two with Alcan and two with Century. The details of these contracts are as follows:

1. 25 MW firm sale to Alcan, commencing January 1, 2008 and continuing through June 30, 2008, wholesale supply from Constellation Energy Commodities Group, Inc. (“Constellation”), contract filed on November 27, 2007.

2. 50 MW firm sale to Century, commencing January 1, 2008 and continuing through June 30, 2008, wholesale supply from Constellation, contract filed on November 27, 2007.

3. 50 MW firm on-peak, 50 MW firm off-peak, and 15 MW fully interruptible sale to Alcan, commencing January 1, 2008 and continuing through December 31, 2008, wholesale supply from Big Rivers, contract filed on December 4, 2007.

4. 63 MW firm on-peak, 63 MW firm off-peak, and 15 MW fully interruptible sale to Century, commencing January 1, 2008 and continuing through December 31, 2008, wholesale supply from Big Rivers, contract filed on December 4, 2007.

Pursuant to KRS 278.180(1), Kenergy must give the Commission 30 days' notice prior to implementing these retail rate contracts. Although the 30-day notice requirement is met for the first two contracts to be supplied by Constellation, the requirement is not met for the two contracts to be supplied by Big Rivers. Kenergy has requested that the notice period be reduced, as permitted by the statute. Since the only retail customers affected by these contracts have consented in writing to all of the contract terms, the Commission finds good cause to reduce the notice period to 27 days. Consequently, all four contracts will be accepted to become effective on January 1, 2008.

IT IS THEREFORE ORDERED that the four retail contracts for sale of TIER 3 Energy by Kenergy to Alcan and Century, as described in the findings above, are accepted for service effective January 1, 2008.

Done at Frankfort, Kentucky, this 20th day of December, 2007.

By the Commission

ATTEST:



Executive Director